

PX 645

0001

1 THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION
2
3 In the Matter of:)
4) File No. NY-09875-A
5 RIPPLE LABS, INC.)
6
7 SUBJECT: RPLI SEC 1100505 HIGHLY CONFIDENTIAL.mp4
8 PAGES: 1 through 72
9

10

11

12

13

14

VIDEO TRANSCRIPTION

15

16

17

18

19

20

21

22

23

24

Diversified Reporting Services, Inc.
(202) 467-9200

25

0002

1

P R O C E E D I N G S

2

RPLI SEC 1100505 HIGHLY CONFIDENTIAL.mp4

3

4

MR. GARLINGHOUSE: Hi, everybody. Can you
guys hear me? Happy Thursday. I hope everybody's doing
well. Exciting time at Ripple. Look, as we kick off, I
really enjoy our tradition of doing these quarterly
check-ins, quarterly all-hands. I enjoy them for a
couple of reasons. One of the reasons I really enjoy
them is because we get everybody together in one place
from around the world. And it's not that often that we
see a lot of the faces that are remote or working
remotely here, specifically here at 315 Montgomery.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

But it's fun. You could feel a lot of energy
and it's just great to have everybody here. I'll
particularly make a point of welcoming -- who came the
furthest for the all-hands? We've got some London
people I think. Sydney? Sydney wins? Mumbai? No,
[REDACTED] from Mumbai. Where's [REDACTED]? You guys haven't met
him yet. I'm going to introduce him in a minute. Where
is he? Where is he? Oh, if [REDACTED] not here, we have
to embarrass him when he comes in.

All right, he came the furthest. Singapore's
-- no Mumbai's further than Singapore. All right, we

24 won't argue about that. Somebody Google that while
25 we're starting.

0003

1 Okay, look, being picture. The objectives for
2 me as we go through this exercise on a quarterly update,
3 is really just to step back a little bit and take stock
4 of where we are. I think to our credit we've been heads
5 down. We've been focused on execution. I think it's
6 nicer once in a while step back and say, "Okay, how are
7 we doing not relative to last week. How are we doing
8 relative to where we were a year ago? How are we doing
9 relative to where we were last quarter?"

10 I think part of today is really about that and
11 being intellectually honest about what's working, what's
12 not working. A metaphor we're going to talk about in
13 this all-hands is, you know, there's some broken eggs.
14 There's some scrambled eggs, but let's make sure we
15 learn from those as we go.

16 Now, the other thing we obviously do is we
17 appreciate our team. There's going to be some awards as
18 we have been prone to do. Actually I guess I should go
19 to the agenda side. We're going to do some awards.
20 Well, first we'll start with as we have done on some of
21 these, deep thoughts by Brad Garlinghouse.
22 Video begins.

23 MR. GARLINGHOUSE: And now, deep thoughts.
24 Video ends.

25 MR. GARLINGHOUSE: Actually, that one is a
0004

1 little dated. I also should point out that I've already
2 been made fun of once today for not wearing any Giants
3 garb. And I pointed out -- particularly for those who
4 are not local, this is Giant's garb. It was so fricken
5 cold tonight and I would have said a different word, but
6 there's children in the audience. It is -- wear lots of
7 layers. Last year when we did this for those who
8 remember, it gets very cold. And so yes, this is my
9 Giant's garb.

10 All right, so look. I have two macro themes
11 around deep thoughts. The first really is one of
12 leadership. I think relative to where we were two years
13 ago, relative to where we were a year ago, I think it's
14 very clear that we are leading the market and I think
15 that is a very big deal.

16 The first headline here I'm highlighting is
17 just from a pure technical point of view. It's just
18 been awesome to see the leadership that we have had from
19 a technical vision, from a technical performance. The
20 headline here is around some stuff that happened with
21 ILP during the course of last quarter. But we also, I

22 think, have been more proactive in highlighting as we
23 see Ethereum and Bitcoin struggle from a performance
24 point of view.

25 You know, I think we have really delivered on
0005

1 that front and it's something we should be incredibly
2 proud of actually the board. And that's a tribute to
3 our, you know, product, engineering, but just a focus,
4 focus, focus on that performance which is really awesome
5 to see.

6 All right, second leadership one. I mean, you
7 know I think we don't really -- think about this. The
8 central [REDACTED] paid us money. I mean, come on.

9 That's nuts. I think that's nuts. I think this is a
10 very big deal. And I think we should appreciate and
11 again take stock of a central bank of a major economy.
12 What number is the British economy, [REDACTED]? It's
13 big. It's big.

14 Look, the regulatory relations efforts, you
15 know, the [REDACTED] thing, you know, things take a
16 village. I will certainly call out, not just on [REDACTED]
17 [REDACTED] but Ryan Zagone on Antoinette's team has
18 continued to be a great leader. I don't know -- is he
19 here this week? I haven't seen him. Oh, (inaudible
20 00:05:00). So he's working for the man still. Nice of
21 him. I appreciate that.

22 [REDACTED] is the second person who is
23 certainly key on the [REDACTED] project in
24 particular. But again, if you step back and take a big
25 picture, I think it's very clear that in many ways we

0006

1 are leading the market. We've got work to do still, but
2 it's exciting to see.

3 The third is Money2020 in Copenhagen. We had
4 a good contingent there. I think 20 people from Ripple
5 went to Copenhagen. The thing that's exciting here is
6 we truly were as measured by kind of external objection
7 measures, one of the top brands even discussed. We were
8 right up there with companies like [REDACTED]. And by the
9 way, [REDACTED] was the keynote of the whole thing.

10 And like for Ripple to be in the same conversation as
11 Square in terms of brand attention, again it's just a
12 very big deal. And I think you know clearly an
13 indicator of, you know, the work we are doing and the
14 progress we are making. All right, so that's one set of
15 deep thoughts. I think it's great we're in that
16 leadership position.

17 The second set or the second single deep
18 thought is -- I sent out a company-wide email about
19 this, but we really did take a giant step, the kind of

20 one small step for Ripple, one giant leap for mankind.
21 Look, I will admit, I've been here just over two years,
22 I will admit had Chris Larsen told me when I was joining
23 that it was going to take us another two years to reach
24 this milestone, I may not be here today because I would
25 have been like, what? That's way too long. That being

0007

1 said, this is a huge deal and I truly believe it helps
2 build a moat, it gets the flywheel moving, it gets the
3 network effects working. It's a very big deal. Look,
4 as we'll talk about later on as we go through today's
5 session, you know, we learned a lot from this. And some
6 of it was good and some of it was painful and we're
7 going to talk about some of those things. Because to me
8 given where we are as a company, it's not about, hey we
9 got everything right. It's about making sure we learn
10 from the stuff that we get wrong. And that's okay.
11 And, you know, I think the number of flights actually we
12 should ask the finance team, how many flights to
13 Thailand happened between May-June? There were a bunch.
14 Asheesh did get thrown up on once, too.

15 Anyway, last but not least, you know, I'm
16 jumping the gun a little bit and as you know just
17 customer adoption as a final deep thought. You know, in
18 some ways Q2 as we'll talk about later on, we didn't hit
19 all of our goals, but in other ways, we continue to get
20 banks signing up consistently. I will announce today
21 and steal some of [REDACTED]'s thunder, [REDACTED]
22 [REDACTED], one of the largest banks in France, signed
23 this morning. Bravo.

24 [APPLAUSE]

25 MR. GARLINGHOUSE: And also a payment service

0008

1 provider, [REDACTED], based out of London also signed today to
2 be a pilot around xVia which is also huge news. We'll
3 talk about that later on, but huge hats off to the team,
4 on -- who was it? I think Patrick's team that signed
5 that. [REDACTED] again? [REDACTED] two shout-outs early.

6 All right, he's not here. Well, he might be
7 asleep. All right, so I'm excited about both those
8 things and I think we should be -- god my notes are out
9 of order here. All right.

10 All right, so the next section I want to talk
11 about is what's going on around us? So, look, I do
12 think and kind of my big picture deep thoughts, we've
13 made a huge -- we've made a lot of progress. We should
14 be super excited. I don't want us to be complacent. I
15 am nervous actually and I've shared this with some
16 people I've talked to. It's interesting that things
17 have been a little bit quiet around us on the kind of

18 bank enterprise side. I haven't heard much from
19 [REDACTED] We've heard some stuff from [REDACTED] But,
20 you know, it's kind of like huh. Any time it's quiet, I
21 get a little bit nervous. And I think we need to be
22 paranoid that in these moments of silence that
23 somebody's about to make a big announcement.

24 I have no idea if that's true, but I do think
25 we should step back and understand that there are very
0009

1 strong network effects that happen in this business.
2 And if somebody gets ahead of us, we're in the
3 leadership position now, but if somebody gets ahead of
4 us, it's obviously very bad.

5 So [REDACTED] and [REDACTED] announced some stuff that I
6 think could be directly competitive with us. You know,
7 Visa has network reach. Now there's a certain irony in
8 -- when you think about, you know, blockchain
9 technologies disintermediating a central counterparty,
10 Visa's one of the biggest central counterparties on the
11 planet. So it's kind of interesting to see them take a
12 relatively big role with [REDACTED] So I think we're going
13 to pay a lot of attention to that.

14 You know, Swift has kind of been a sleepy
15 giant. They've taken some pot shots at us. We continue
16 to get intel from the marketplace from both former Swift
17 employees and also people we just know on our network
18 that they're getting more aggressive. In fact, I
19 believe and I might get this wrong here, the details,
20 but they actually have gone to banks that have signed
21 with us and said to them basically they will give them
22 incentives to not move traffic onto to Ripple. Wow. No
23 what do you think? Oh shit, that sucks. I love that.
24 We have their attention. And god damn it, we're going
25 to kill them.

0010

1 All right, so look. The macro point here is
2 while I'm super happy with where we are from a big deep
3 thoughts point of view and I think we should be really,
4 really proud of that, I think the fire in the belly has
5 to continue. I think our urgency has to remain very,
6 very high. If we let it down, I think these are big
7 players out there. And I do worry that if we get
8 complacent that we'll fall behind.

9 All right, the last big thought I'll spend a
10 second on is holy cow. The game changing nature of the
11 opportunity for us and you know where we are with XRP is
12 just a massive change. It gives us a huge advantage.
13 So, you know when we met for our all-hands in April, I
14 remember talking about a little bit about the price of
15 XRP. Actually, we probably met in May, or sorry, May.

16 We met the first week or two of May. So it's somewhere
17 around here. I remember thinking like, holy cow. I
18 will continue to say as I know [REDACTED] said on Monday,
19 there's going to be volatility. We're in the early
20 stages of a entirely new asset class. There's going to
21 be volatility. I don't have (inaudible) to where this
22 is going to go. I think about it over a three-year
23 period or over a five-year period.

24 The thing I will point out though is that
25 having this as a strategic weapon to help build the

0011

1 business is totally game changing. I've been in Silicon
2 Valley doing stuff like this for 20 years. I've never
3 seen anything like this. The opportunity it gives us.
4 Any Texas Hold 'em players here? Come on. That's it?
5 I love that [REDACTED] is one of the hands that went up by
6 the way. Okay. A couple of hands. By the way, we
7 should have a Texas Hold 'em night because some of you
8 guys need to learn how to play Texas Hold 'em.

9 We got the big stack is metaphor which nobody
10 gets because -- all right. Thank you. Look, there's a
11 huge advantage we have because of this and we are taking
12 advantage of it as we'll talk about later in the
13 presentation. There's things we're doing both in terms
14 of just monetizing and giving us a stronger balance
15 sheet. There's things we're doing around incentivizing
16 activity to use Ripple's technology and use Ripple's
17 network. These are big game changing things. And
18 again, given the network effects, if we can get the
19 flywheel moving, it's going to be a very big deal.

20 All right, but you know what? You can't make
21 an omelet without breaking eggs. So the point here is
22 that we made a lot of progress in Q2, but we did miss
23 some of our goals. And this is rather hypnotizing.
24 Just stare at it for a while. Don't listen to me, look
25 into the light.

0012

1 Okay, so look, I think we did a great job. We
2 built a blueprint. We're standing up. You know,
3 building the house, hanging the drywall, all the pieces.
4 Some of those pieces haven't fit together perfectly
5 always. I also -- another quick quiz. How many people
6 can crack an egg with one hand? That's really hard to
7 do. [REDACTED] Bullshit.

8 All right, we have two new group activities.
9 We're going to do a Texas Hold 'em night and we're going
10 to watch [REDACTED] break eggs with one hand.

11 I'm totally losing my train of thought here.
12 I'm so off track. Monica's getting upset with me.
13 Look, the point and the thing I will point out here is,

14 the thing I care about isn't that we broke eggs. It
15 isn't that we're making an omelet. It's that we care
16 about the details. And I mean, this actually very
17 genuinely. I know I like to be a little bit light-
18 hearted up here. This is actually you know from the
19 heart and very serious.

20 If there's one thing that frustrates me more
21 than anything else, it's lack of attention to detail.
22 The details matter. And I think, you know, I get upset
23 in people particularly who work closely with me see me
24 getting pissed off about stuff, they're like, that's
25 just not that big a deal. You know what? You're right.

0013

1 That is a very big deal. But it's the culture that
2 allows some small thing to happen and to persist that
3 then ends up being a bigger problem.

4 And so I just want to remind you like details
5 matter. Attention to details, it matters. And it
6 doesn't just matter in the big stuff because what
7 happens in the little stuff manifest itself in the big
8 stuff. I continue to see us doing things that's like,
9 come on. We should have hire expectations from each
10 other. And, you know, by the way, it's okay to call
11 people on it. Not just your manager, just to say, "Hey
12 look, you know, we should care about this. We care
13 about when people visit us. And you know what? Their
14 experience visiting us, when people are interviewing
15 with us and they have a great experience." So I'll
16 leave it again that and the details matter.

17 The last kind of inspirational comment on this
18 is the idea from our friend Thomas Edison. "Genius is
19 one percent inspiration and 99 percent perspiration." I
20 truly believe this. Again, Chris and I have been around
21 the Valley a little bit longer than most of you. That
22 is not a millennial joke. You'll notice I don't make
23 millennial jokes anymore. I was told I'm not allowed
24 to. But I'll get them back in some time.

25 But look, it's not the best idea that wins. I
0014

1 have so many good ideas fail. And I've seen so many you
2 know ideas that venture capitalists are investing a shit
3 ton of money in that failed because it was not the right
4 team. It wasn't the right execution or frankly people
5 didn't work that hard.

6 I just was hearing recently about there's a
7 startup. Everybody works from home Tuesday and
8 Thursday. I thought to myself, why would you invest in
9 that company? And look, I'm not suggesting that you're
10 working from home, you can't be productive. I actually
11 think, you know, some of our remote employees I'll pick

12 on in a very positive way, the Ripple D team. Like can
 13 we just pause for a moment and give them a huge round of
 14 applause?

15 [APPLAUSE]

16 MR. GARLINGHOUSE: My macro point is just
 17 look, we gotta be committed. We have a huge
 18 opportunity. My deep thought is I'm thrilled with where
 19 we are. I could not have predicted we'd be in such a
 20 good place, you know, in the last all-hands or a year
 21 ago. And so that's phenomenal. But I just want to
 22 point out, we got a long way to go and it's going to
 23 take hunger. It's going to take commitment and a lot of
 24 passion.

25 All right, so in context of passion and

0015

1 commitment and all those things, let's talk about the
 2 team. We now are 163 people strong That is a 35%
 3 growth over the next year. I will share with you guys
 4 probably because of strength of where we are, originally
 5 we were forecasting to be at 195 people at the end of
 6 this year. We now are forecasting to be at 205 people
 7 at the end of the year. I think I'm going to get this
 8 accurate. [REDACTED] keep me honest. I think we have 35
 9 open positions on the website today. I will also use
 10 the opportunity to plug. Refer people you know. You
 11 all know great people out in your networks. They want
 12 to work here, they just don't know it yet. We need to
 13 explain that to them. So huge progress there.

14 In Q2 we added 21 fabulous people. I will
 15 also at the risk of screwing something up here,
 16 [REDACTED] who isn't on the screen. [REDACTED] -- shit.
 17 [REDACTED] is not even an employee that's here today.
 18 Welcome, [REDACTED] We won't make you embarrass yourself
 19 right now.

20 [APPLAUSE]

21 MR. GARLINGHOUSE: [REDACTED] is new on [REDACTED]
 22 team in a tax role. Okay, now wait. Pause. Fuck.
 23 Best relations. I was going to make -- I swear --.

24 [LAUGHTER]

25 MR. GARLINGHOUSE: Oh, next time I'm not going

0016

1 to go off script. All right, so we have an investor
 2 relations person. We also have an open rec for a tax
 3 person. The joke I was going to make is like how many
 4 startups hire a tax person? Startups don't hire tax
 5 people because they don't pay taxes. I mentioned at our
 6 last all-hands, or you know we're going to be cash flow
 7 positive this year. We have the risk of paying taxes.

8 [APPLAUSE]

9 MR. GARLINGHOUSE: [REDACTED] I'm sorry. I

10 screwed that up. Welcome. Investor relations we care a
 11 lot about, too. We're glad to have you. You're not one
 12 of the employees on this list.

13 Now, back to the script. You know, look, the
 14 point I would make here is we have a lot of growth
 15 outside the United States. Actually, if you go back to
 16 our 163 people, most of our growth, we grew the U.S.
 17 headcount you know kind of around 10%. We grew non-U.S.
 18 headcount, you know, I think it was over a 100% all in.
 19 And that's awesome. The London office is I think 20,
 20 21 people plus or minus now as you can see, by some of
 21 the flags here.

22 The other thing I'll highlight here is we have
 23 done an amazing job of keeping a very high bar for
 24 talent which I give a credit to hiring managers. I give
 25 a credit to our recruiting team and I give a credit to

0017

1 our leadership position. I will highlight a couple. We
 2 are hiring people from [REDACTED] Welcome, [REDACTED]
 3 We're hiring people from [REDACTED] and [REDACTED] Welcome,
 4 [REDACTED] Hiring people from [REDACTED] Welcome ([REDACTED]).
 5 We're hiring people from [REDACTED] Welcome, [REDACTED].
 6 We're hiring people from [REDACTED]. Welcome,
 7 [REDACTED] I don't think I've met [REDACTED]. Anyway, the point
 8 is simply -- yes that's deep thoughts. That's random
 9 thoughts. My point is we are making huge progress in
 10 hiring. We should be psyched about this. Welcome to
 11 everybody here who's already been introduced and welcome
 12 to [REDACTED].

13 All right, we also have a bunch of interns.
 14 12 interns. I don't know all their names, but I'm
 15 excited they're all here. I hope they're having a good
 16 summer. We are doing some fun intern events, but, you
 17 know, be nice to your neighborhood intern. All right,
 18 that's all I'll say about that.

19 Here's [REDACTED]. I'll let you pause and think
 20 about that. You know it's funny. We have like a couple
 21 of really nice photos of our new space, but the only one
 22 you focus on is [REDACTED] jumping out of a box. Where is
 23 [REDACTED]? Come on. She's still in the box.

24 All right, look, I am pausing. The facilities
 25 team, the operations team, huge shout-out. I see [REDACTED]

0018

1 standing back there. Look, it did take a village. An
 2 amazing job.

3 [APPLAUSE]

4 MR. GARLINGHOUSE: I know the design --
 5 absolutely, the design team, huge credit. Sorry, I
 6 should have started with that. A ton of work happened
 7 in making this happen and I think we all enjoy it. I

8 think a lot of people from outside the United States are
9 seeing it for the first time. But I know the design
10 team certainly was working weekends and the operations
11 team was working weekends and huge thanks to all of you.

12 I think everybody's really happy with the final product
13 or at least I am. I also think it does -- back to the
14 leadership position when people come visit, you know,
15 they're like wow. People are impressed. I think it's a
16 perfect balance of, you know, tech enthusiasm,
17 entrepreneurial with hey yeah we're a real company in
18 the financial services space and we balance those.

19 Is the mic cutting in and out or is that just
20 my imagination? Insert joke. All right, is that
21 better? Can you hear me? All right.

22 Okay, so we're excited about 315 Montgomery.
23 Now, the other thing that happened in Q2 is we planted
24 some key roots in -- some key people in key regions.

25 [REDACTED] who apparently isn't here, come on. [REDACTED]

0019

1 welcome. Stand up, come on.

2 [APPLAUSE]

3 MR. GARLINGHOUSE: We also added [REDACTED]
4 (inaudible) who I saw earlier this week. Where is he?
5 In Singapore. Welcome, [REDACTED]. It's good to see you
6 again.

7 [APPLAUSE]

8 Last, but not least, [REDACTED] also
9 in Singapore. Are you here? I don't know, all right.
10 Anyway, great to add kind of key people. Our focus in
11 key markets I think has paid off which is also a very
12 good thing.

13 All right, with that I am going -- oh, no, no.
14 We have, oh yeah shoot. I forgot this in my notes, but
15 I know it's happening. Wait, wait, there's a surprise.
16 Hey, I have some promotions to announce. Look, if I
17 didn't screw it up, it would be less fun.

18 All right, so look every kind of twice a year
19 at the end of the year and usually in the summer, we
20 step back. We make sure we are rewarding people for --
21 they're taking on more responsibility. We have, you
22 know, opportunities that they've been promoted into and
23 so I want to make sure we recognize some people who are
24 being promoted. I will start with -- because I blew it.
25 [REDACTED], congratulations. It's a big deal. Stand up.

0020

1 Come on, come on, stand up.

2 [APPLAUSE]

3 MR. GARLINGHOUSE: It's nice and I think it is
4 important. We don't do this often enough and really
5 step back and appreciate people who are killing it. And

6 so big congrats to [REDACTED].

7 Second, [REDACTED] congratulations being
8 promoted to Sr. Software Engineer.

9 [APPLAUSE]

10 MR. GARLINGHOUSE: Is he here? Is he here?
11 He's in Texas. All right, yeah. Next on the list.

12 [REDACTED] where are you? Come on. Where's [REDACTED]

13 [APPLAUSE]

14 MR. GARLINGHOUSE: If he's not here, does it
15 count? Is he working or is he on vacation? All right,
16 anyway, can we also pause on the photo on [REDACTED] for a
17 minute?

18 FEMALE VOICE: Yeah.

19 MR. GARLINGHOUSE: [REDACTED] been here for a
20 while. Apparently, we don't retake the corporate photo.
21 For those of you who don't know [REDACTED], he doesn't quite
22 look the same. Maybe the stress --.

23 Last but not least, [REDACTED] where are you? I saw
24 you here, [REDACTED].

25 [APPLAUSE]

0021

1 MR. GARLINGHOUSE: Stand up. [REDACTED] still looks
2 the same though. All right, so that's kind of the
3 introductory thoughts. I'm going turn it over to our
4 very own Asheesh Birla who is going to and [REDACTED]
5 who we only know as [REDACTED], for this next section. Oh I
6 just didn't know that build was there, sorry.
7 Congratulations again.

8 Big picture, where are we going, our mission
9 and our strategy, I'll be back up here a little bit
10 later to talk about a couple other things, but I'll turn
11 it over to Asheesh and [REDACTED]

12 MR. BIRLA: I'm going to keep on script unlike
13 Brad today. Don't worry, [REDACTED]. Brad asked me about
14 India even though I grew up in Detroit, so don't worry
15 about the --. But now we have Navin, so.

16 All right, our vision. So this we've changed
17 offices. We changed sweatshirts. We have hats now.
18 But ever since you know Chris hired me the first day,
19 our vision has always remained the same. It's really
20 solving this problem of, you know, doing what the
21 internet did for communication, why is the experience
22 for payments so poor? Why does it take so many days and
23 is it so fricken irritating? So that's our vision.

24 The mission is something that's a little bit
25 shorter-term. So this is something that we want to

0022

1 tackle in the next five, you know, to seven years. And
2 you know when we were getting going, we were looking at
3 a lot of different use cases, but we really thought that

4 cross-border payments was the shittiest one that we
5 should be tackling first. And so hence, cross-border
6 payments being our insertion point. We'll get into more
7 types of payments, but really that's one -- that's the
8 one we landed on for our mission.

9 All right, so everyone's seen this slide. But
10 we're going to go through it again. It's really it's
11 sort of talking about why the -- why payments are so
12 slow and inefficient. And one reason is that it's still
13 based on something called files, batch files. I'll get
14 into that in a little bit more detail as I break down
15 each product. But that is basically sent overnight,
16 once a night, maybe even you know only on weekdays and
17 that takes multiple days to get to your final
18 destination.

19 And so you know what did folks start to do to
20 get around this problem? Well, they actually started
21 just almost developing their own network. So we heard
22 from [REDACTED] who's an investor in Ripple. You
23 know, they started actually integrating into each
24 different payment system into each bank globally. I
25 think [REDACTED] has 125 different integrations around the

0023

1 world to manage their payment operations.

2 Not only that, because they needed payments to
3 get there when they needed, when they wanted them, where
4 they needed them, they had a problem called liquidity.
5 And so what [REDACTED] started doing
6 is not only opening up accounts called Nostros in these
7 different locations, but they started prefunding money
8 in these different locations and that sort of traps a
9 lot of capital up for these companies.

10 So I mean, you know, [REDACTED] is actually I
11 believe regulated as a money transmitter because they
12 are operating a huge cash business around the world.
13 And so you know our vision, the product vision that we
14 want to get to is basically one frictionless experience
15 to send money globally. And this is a little bit new.
16 I think we went through this on a few different all-
17 hands, but network members. We've been building out
18 this side of Ripple for the last few years. You know,
19 getting [REDACTED] getting the different
20 exchanges listing XRP. And what we want to do and I'll
21 talk a little bit about this, is bring that experience
22 to network users so that those are the corporates.
23 Those are corporates. Those are smaller banks,
24 community banks and so forth. And I'll talk about that
25 in the product description in a few minutes.

0024

1 So we found this live. This is actually a

2 Swift file. This is basically an example of what folks
3 use to communicate you know between different financial
4 institutions and banks. And you know one thing is that
5 this file is dropped nightly. So when I say batch
6 files, they're dropping something like this you know
7 nightly to process payments. Standards vary per bank
8 and country. So even though Swift is supposed to be a
9 standard, each different bank has a slightly different
10 way to interpret this message. And it's limited to 150
11 characters in the memo field. So you can only add in a
12 little bit of extra metadata. And what I've heard is
13 that depending on the bank, they might strip out this
14 metadata anyway. So it's slightly better than Twitter,
15 but not much.

16 So the first product that we're going to talk
17 about is really xCurrent.

18 MR. GARLINGHOUSE: Asheesh, did you notice
19 that it was for \$1 billion dollars?

20 MR. BIRLA: Yeah, that's my bank account.

21 MR. GARLINGHOUSE: One billion euro. Wow.

22 MR. BIRLA: [REDACTED] bank account. And believe
23 it or not -- what's that?

24 MALE VOICE: (inaudible)

25 MR. BIRLA: I found this.

0025

1 [LAUGHTER]

2 MR. BIRLA: So again, you know, the first
3 product that we're talking about, it does a lot of
4 things and I'm not saying that xCurrent doesn't do a lot
5 more things, but the one thing that we're doing that's
6 improving experience today is we're really, you know,
7 tackling the information exchange and messaging
8 component. So a better way for our financial
9 institutions to communicate instead of that ugly file
10 that I just showed you.

11 And so [REDACTED] going to talk a little bit
12 about some of the Q2 achievements for the xCurrent
13 product.

14 MR. [REDACTED] Hello. So I wanted to talk a
15 little bit about some of the achievements and also I'll
16 go through these achievements for each of the products
17 as we go through. But I know a lot of people are often
18 curious a little bit more detail on what we're up to in
19 engineering. So this is sort of off script, but I
20 wanted to plug the invitation to our engineering all-
21 hands on Monday. Everyone's welcome to attend and happy
22 to send out the video and we can get into some of these
23 in more detail.

24 Some of the big features that were in this
25 latest release of xCurrent that were also highly

0026

1 requested features from our banking partners are high
2 availability for some of the components. And what this
3 means is that you have mirrors of your infrastructure.
4 So if one part goes down, you're active-active and you
5 can continue your business operations and continue to
6 use the Ripple products.

7 We also support recoverable payments and spend
8 a lot of time internally on test automation. If you
9 want to know what recoverable payments are, you can
10 speak with [REDACTED] You can speak with [REDACTED] You can
11 speak with [REDACTED] They gave me a blurb, but I think
12 it's better to go straight to the source.

13 I also want to point out another thing about
14 this team that I think just speaks to getting the
15 flywheel going. This is, I believe, the third or fourth
16 on-time release of this product and that is so important
17 for us.

[APPLAUSE]

18 MR. [REDACTED] Yeah. It's really important to
19 us for a number of reasons. For this type of product,
20 we share our roadmap on many, many quarters and months
21 in advance of producing the result. It is very bad if
22 we're not able to meet those deadlines and follow that
23 roadmap. But I also just think it just speaks to how
24 the team works really well at planning, executing and
25 the team works really well at planning, executing and

0027

1 process. So I'm very proud of that.

2 MR. BIRLA: So problem number two that we're
3 addressing is that we have -- if you want to go and open
4 up into a new country, that sort of rat nest I mentioned
5 where, you know, Seagate or another bank is trying to
6 get going in another country, it's basically every
7 single one of those connections was a new legal
8 agreement. Many lawyers, lawyers aren't as amazing our
9 legal team, so hats off to the amazing legal team that
10 we have.

[APPLAUSE]

11 MR. BIRLA: Most legal teams are sort of a
12 pain to work with, so that's a problem. Non-standard
13 operating procedures. Every single bank that you go to,
14 you have to follow a new set of procedures. You have to
15 learn them. Onboarding to that bank is really
16 cumbersome. These are problems that we're trying to
17 address with something called the rule book. And I
18 think this is super interesting because being in
19 Silicon Valley we think about everything as being tech.

20 I think this is one of the biggest innovations that,
21 you know, we've created at Ripple, a combination of
22 legal. I know [REDACTED] was big on it, [REDACTED] from the
23

24 product team, but this is huge. I mean, this is really
25 reducing the time to on-board.

0028

1 And when we talk about interoperability, we're
2 not just talking about technical interoperability.
3 We're talking about how these messages can be understood
4 by each financial institution on RippleNet. So I think
5 this is something that's I think we gotta emphasize this
6 more, you know, when we talk about Ripple. So this is
7 pretty awesome. Oh sorry. Do you want to talk about
8 the big wins?

9 [REDACTED] so you know our first live
10 customer, they implemented the functional standard, so a
11 component of the rule book where the functional
12 standards. So they were the first ones to make use of
13 the functional standard, so that was a big win. And
14 then I think just last week we released the rulebook
15 2.0. So that is pretty much the version that we're
16 going to go to production with. We're expecting our
17 first signatures in August against that rulebook so
18 that's another big win.

19 [APPLAUSE]

20 MR. BIRLA: Kanaan, you're going to talk about
21 XRP.

22 MR. [REDACTED] Yes. And maybe the first thing I
23 want to talk about is the consensus refactor. So
24 consensus happens to be a core differentiator for the
25 XRP ledger. This is a part of the code and a concept

0029

1 that our chief cryptographer, David Schwartz, came up
2 with and is sort of key to making all this happen.

3 So why am I highlighting a refactor? Well, I
4 brought this thing with me and this happens to be a --
5 actually, does anyone know what this is? I can show you
6 the antennae a little bit. [REDACTED] Yes. I think I
7 heard it. Satellite phone. That is correct. So this
8 is Ripple property. This has an asset tag number. And
9 we bought this because David Schwartz is not allowed to
10 go on a vacation to anywhere remote or anywhere for that
11 matter for the first couple of years I was here without
12 a direct line to him over a satellite phone. That is a
13 risk to a business. So I'm very excited about this
14 consensus refactor. This is live on the production
15 network. This was a lot of work from [REDACTED], who's
16 a key member of the Ripple D team, again remote in
17 Florida, but often is in the office. This allows us to
18 reduce what's called the bus factor or the reliance on
19 one person for a particular piece of information.
20 That's good for all of us at Ripple.

21 Another kind of ancillary piece that makes

22 this important is that it allows researchers or people
23 in academia to take a look at consensus on its own and
24 start to understand some of the properties of this piece
25 of our code and these concepts. I believe we also have

0030

1 three interns that are looking at this particular piece
2 of code as well, doing testing and some of the
3 mathematical properties of this.

4 That was a lot of words, but I think it's fun
5 to call out. Other things that happened this quarter
6 invariant checking. That essentially is building in
7 some network controls around things that should cause --
8 should never happen. So easy example of that is if the
9 network detects XRP as being created, that is not great.

10 And that should not be allowed on the network to
11 continue to happen. The network should do the right
12 thing which is halt or basically signal something very
13 bad is going on.

14 I also want to touch a little bit upon, you
15 know, those two are things that did happen. It's very
16 difficult to reason about the things that did not
17 happen. We had another quarter of no forks, no hacks
18 and a highly available network. That is fantastic.

19 [APPLAUSE]

20 MR. [REDACTED] Other big achievements, 25 new
21 exchange listings. Obviously on the heels of a ton of a
22 new volume and a price appreciation, there are some
23 exchanges we worked with to get this done. And there
24 are many who wanted to race to capture that volume and
25 capture the business. Basically resulted in a bunch of

0031

1 new volume. These new listings are going to be great
2 for us, but I want to caution that we would prefer to
3 partner with folks to make sure our eco-system is strong
4 and these integrations are working well. And to that
5 effect, we have [REDACTED] on the integration engineering team
6 that is working full-time on XRP.

7 Another sort of milestone we did Tweet this
8 out and I believe there's an article around achieving a
9 1500 transaction per second throughput on the system
10 which is fantastic. Alongside automated performance
11 reports so we can continue to know when we're improving.

12 All right.

13 MR. BIRLA: Okay, so this is always part of
14 the liquidity solution. If you remember the liquidity
15 problem today is that folks need cash in the right
16 locations at the right time and the right amount. Like
17 my laser pointer, Patrick? So, what folks -- and this
18 is actually -- I took this awkwardly in a screen shot of
19 a company that presented to us yesterday. Emmy told me

20 it was okay to show this.

21 But [REDACTED] Don't Snapchat
22 this or Instagram this. But this is sort of crazy. I
23 mean, they were saying that they have \$5 billion dollars
24 trapped that they cannot use in their business because
25 of this liquidity problem. They need to have cash

0032

1 around the world so that it's available for doing
2 payroll, for paying their vendors when they need it.
3 This is a problem they want us to solve. And the real,
4 you know, the product that we're coming to market called
5 xRapid is basically targeting to lower the cost, to have
6 demand -- have payments on demand. So basically
7 liquidity where you need it, when you need it, the right
8 amount and so forth.

9 And so that's the xRapid product coming to
10 market very, very soon. And [REDACTED] going to talk a
11 little bit about some achievements from Q2.

12 MR. [REDACTED] Sure. So first, I guess I wanted
13 to recognize the team that did this. And usually in
14 engineering we like to recognize teams as a group, but
15 because this is two people, I think I'd rather just name
16 them directly. So [REDACTED] who's here in the room spent a
17 ton of time on the documentation.

18 [APPLAUSE]

19 MR. [REDACTED] And the other is [REDACTED]
20 I'm not sure if he's here. I think he's remote in
21 northern California. But and I will also mention this
22 was not their full-time job. In addition to doing this,
23 [REDACTED] worked on ILP documentation, Ripple D
24 documentation, (inaudible) project. And the same with
25 [REDACTED] on his data team responsibilities.

0033

1 So where are we at now? What are the
2 achievements? We have a pilot-ready version, the API is
3 up for you to interact with. We have the documentation
4 in there and what I'm looking forward to in Q3 and
5 something sort of on my plate is to staff and hire for
6 this as we continue to build this out and make it
7 production.

8 MR. BIRLA: And also just to call out a lot of
9 other folks, Miguel, [REDACTED], Dinuka, (inaudible), all did
10 tremendous job laying the groundwork for xRapid to go to
11 market. So I mean, it was like a huge, huge lift by the
12 entire company, so thanks everyone for the awesome Q2 to
13 lay the groundwork for our launch.

14 And then just the last problem I mentioned
15 this before. I won't go into this in too much detail,
16 but again, folks really have to maintain their own API
17 integrations either integrate through Swift. I think we

18 talked to one customer today, 26 integrations in India
19 alone to solve this problem. And so wrapping up the
20 entire experience around RippleNet and that's why it's
21 at the top of the stack here. You know, one sort of
22 frictionless experience that is what the xVia product is
23 about. We want to offer that to, you know, our
24 corporate clients and we made good progress as well in
25 Q2. And [REDACTED] do you just want to wrap it up?

0034

1 MR. [REDACTED] Sure. So again, and apologies on
2 the last slide. This really takes the effort from the
3 product team from a bunch of different teams to make
4 this happen. Where we're at now with this is actually a
5 lot of the work was around infrastructure. So how do we
6 securely -- this is a hosted product. How do we make
7 sure that is done securely? How do we have audit
8 controls in place, information security controls in
9 place and basically maintaining the key material in a
10 secure manner. So all of that sort of groundwork
11 happened in Q2. We also have three pilots signed and
12 initial focus on U.K. to India. More stuff to come next
13 quarter and my mind include some standardization around
14 we going to be hosting for xVia and for xRapid. There's
15 some commonalities I think we can work on as building
16 blocks for both. And then again, continue to staff and
17 ramp up on the engineering side to make this happen.

18 MR. BIRLA: All right, so again like the five-
19 year vision, having this wrapped up as a network
20 solution, bringing it all together with the new product
21 names, again xCurrent, really focused right now on
22 solving that message-communication problem. XRapid, on-
23 demand liquidity using XRP as, you know, one of our
24 strategic assets. And then xVia sort of wrapping up
25 this experience into like one hosted API. And I was

0035

1 told, do not talk about these names publicly. Monica
2 told me about talking about these names outside of this
3 room, until end of the month, July 31st, all right? All
4 right. So I think I'm handing it back to Brad.

5 MR. GARLINGHOUSE: Thank you, Asheesh.

6 MR. BIRLA: Thank you.

7 [APPLAUSE]

8 MR. GARLINGHOUSE: One of the advantages of
9 sitting down and then coming back up here is get to
10 remember the things I didn't mention when I was up here
11 before. Two things I forgot to mention. One
12 unfortunately has already left the building. You might
13 have noticed Miguel got up and walked out the door. It
14 isn't because he was pissed off and thought wow I
15 thought we made more progress in XRP. We didn't give

16 him enough out. He's on his way over to the CNBC studio
17 where he is going to be on CNBC Asia talking about
18 what's going on in the XRP markets which is totally
19 awesome. So that will be fun. We'll see -- hear how it
20 goes or you can watch it on the web later on.

21 The second is today is the two-year
22 anniversary of [REDACTED] working at Ripple, so
23 congratulations, [REDACTED].

24 [APPLAUSE]

25 MR. GARLINGHOUSE: Those are the two things I

0036

1 forgot. Well, I'm sure I forgot more than that, but
2 those are the two things I remembered I forgot.

3 All right, so in addition to deep thoughts,
4 one of the things I think it's good to step back, talk
5 about how did we do? We set ourselves a number of goals
6 for Q2 and we have kind of a report card that we
7 generally do for these meetings. And it looks like
8 this. What was the OKR, what was the forecast, what was
9 the actual and how did we do.

10 So, the first one that we often talk about is
11 our software and services. This is our enterprise sales
12 effort signing new banks. Look, let's be very honest.
13 We did not hit our goal. We actually hit a total of --
14 well simplifying, \$3 million dollars of new contracts.
15 That includes banks like [REDACTED], and

16 [REDACTED], is that right?

17 So on one hand, we did about 2x what we did
18 last quarter, but we came in short. I would say we have
19 a very good pipeline as go into Q3 and I definitely
20 don't feel like we need to beat up the team on this. I
21 think we definitely have learned a bunch. And as you're
22 going to hear from [REDACTED], I think that we're, you know,
23 in a good place as we go into Q3.

24 Next on the list is honestly, you know, green
25 doesn't quite suffice here. Green in a flashy neon -- I

0037

1 can't think of anything else. Flashy neon, leave it at
2 that. Look, we had set a goal of selling \$5 million
3 dollars of XRP through programmatic as well as through -
4 - to remind everybody. Some of you are new. We sell
5 XRP in two ways. We sell it programmatically. If you
6 read the XRP market report that came out I think today,
7 we sold nine-tenths of a percent or nine basis points of
8 daily market activity in Q2. So very small percentage
9 of the total so we don't put downward pressure on the
10 market. But that number resulted in -- let me get it
11 right. That number resulted in 20 -- sorry. I don't
12 have it broken out on this. It's about \$10 million
13 dollars programmatic and about \$20 million dollars of

14 institutional. So these are high net worth institutions
15 that come and buy XRP directly from us.

16 Look, the good news is that means cash in the
17 bank for us. It allows us to strengthen balance sheet.

18 The interest in XRP and with growing the XRP eco-system
19 has never been higher and it's obviously a very good
20 thing for the business.

21 Next goal it was around deployments. We were
22 right on target. We set a goal doing seven. We
23 deployed at [REDACTED]

24 [REDACTED] I will give -- it has not been
25 a cakewalk, but we've learned a bunch as we've gone

0038

1 along. But I think the team deserves a big round of
2 applause for hitting seven out of seven on that.

3 [APPLAUSE]

4 MR. GARLINGHOUSE: So another Christmas light
5 example. We set a goal of four demand-side deals.
6 These are laid out. We call them network users. These
7 are intended to be kind of the corporates or demand-side
8 banks. You know, we did not hit our goal on this. A
9 couple of reasons for that, but at the end of the day we
10 have [REDACTED] banks in the pipeline. I mentioned earlier we
11 actually signed one already this quarter as of this
12 morning and IFX. So we are making progress there. We
13 just didn't make as much progress as we wanted in Q2.

14 Our fifth goal was around headcount. I'm
15 giving us -- we came in a few short. I'm giving us a
16 green on this because I think overall adding 20-plus
17 people in the quarter is very strong. And again, I'll
18 just highlight, you know, I think our talent bar has
19 been very high which I wasn't to make sure it continues
20 to be the case. And I will, you know, I heard from the
21 teams our interns this summer are the best interns in
22 terms of quality. I know there's some that we already
23 want to hire which is great. Although you should finish
24 your degree. I'm supposed to say that. Sorry.

25 There is one I think we did -- didn't we -- I

0039

1 don't know. Was that [REDACTED] Yeah. [REDACTED] we love you. I
2 know you're not here. It did work out for him. I feel
3 badly. He should finish his college education.

4 All right, last but not least, as giant
5 flashing green also is we ended the quarter with \$ [REDACTED]
6 [REDACTED] dollars in the bank. That is a lot of dineros.

7 The highlight on this to me, since I have been at this
8 company, that's as much as we've ever had in the bank.
9 And the reason is even when we raised \$ [REDACTED] in our
10 last series B financing, by the time -- we did it in two
11 closes. And by the time we closed the second tranch,

12 we already spent some. So we've actually -- this is
13 more cash than we've ever had in the bank. We expect
14 the balance of the year to continue to grow. So we're
15 in a very good position.

16 This gives us the opportunity to accelerate
17 our investment. I mentioned earlier we're increasing
18 our headcount forecast for the balance of the year to
19 205. That allows us to invest in new initiatives,
20 whether that's marketing initiatives, product
21 initiatives, engineering initiatives. Look, the
22 opportunity is ours and we need to keep pushing on it so
23 we're in a very good place there.

24 I am now turning it over to [REDACTED] who I'm
25 told is on the phone. And [REDACTED] I will tell you as we

0040

1 get started with yours, you know [REDACTED] is this 24-hour
2 guy. The guy does not sleep. He's always awake for
3 staff meetings no matter what time of day.

4 MR. [REDACTED] Thank you.

5 MR. GARLINGHOUSE: We had our internal kind of
6 quarterly business review last week and we ended at 5
7 p.m. [REDACTED] he was drinking wine. It was 2 a.m. his
8 time, but [REDACTED] I'll turn it over to you, thank you.

9 MR. [REDACTED]: Thanks. Can you hear me okay?

10 MR. GARLINGHOUSE: Yes, hi.

11 MR. [REDACTED]: Hey, splendid. Let's go onto -
12 - it's Friday. Okay, so we made two big breakthroughs
13 in the quarter. One we're showing here which is [REDACTED]
14 which is a major Swedish bank. And for [REDACTED] we put
15 Ripple Live both at the headquarters in Sweden and also
16 in their subsidiary in New York. So it's [REDACTED] on either
17 end. But because of how banks work, these two [REDACTED]
18 divisions essentially work as if they're different
19 banks; there's [REDACTED] on both sides.

20 What [REDACTED] did then, they used Ripple to
21 provide a service to a large energy company in Sweden.
22 And the energy company used Ripple via [REDACTED] to pay \$ [REDACTED]
23 million dollars to customers, suppliers in the U.S. in
24 dollars from Swedish Krona in Stockholm. So this is \$ [REDACTED]
25 million dollars of real funds, real money moving between

0041

1 Sweden and the U.S.A. to deliver on commercial
2 commitments from a real customer of a bank. And that is
3 a real breakthrough. It gets us out of the lab and the
4 testing. You know, we're not working with the
5 innovation teams anymore. We're working with operation
6 teams, business groups. We're working with (inaudible
7 00:51:20) people and we really are in place. So the [REDACTED]
8 connection is a major breakthrough.

9 Now, [REDACTED] aren't stopping. They next expect to

10 put a customer on the other end in the U.S. to make
11 payments the other way into Sweden. They also want to
12 open up corridors all over the world to repeat this
13 success elsewhere.

14 To give you an idea why this is important,
15 before SEB moved onto Ripple with this energy customer,
16 the energy company used to take about two hours to get a
17 payment from Sweden into the U.S. They can now do that
18 payment in nine seconds. So that's a 99.8% improvement
19 on what they had beforehand which is a pretty
20 substantial.

21 And it gets better because before this energy
22 company could use Ripple with [REDACTED] when they asked [REDACTED]
23 to make a payment for them at nine in the morning in
24 Stockholm to make a payment into the U.S., they had to
25 wait until three o'clock in the afternoon in Stockholm

0042

1 to check if that payment arrived. And that's because
2 New York doesn't start until 3:00 p.m. central European
3 time. So there was a lot of confusion for the
4 treasurers as to where that money is, has the payment
5 gone through, are the funds in the account?

6 Well with Ripple, that's no longer a problem.
7 So nine in the morning in Stockholm, the energy company
8 makes their payment and they know that money is in the
9 account, they're good and therefore they can move on and
10 manage their central accounts. And that's a good
11 example of how, you know, a bank uses Ripple, not just
12 to make itself more efficient, but it also adds real
13 value to its end customers, the corporates in Sweden who
14 have a real impact on the way they can manage the funds
15 for the operations.

16 So [REDACTED] are really keen now to open up links
17 into Asia, into the far east, anywhere where there's a
18 big time zone gap where they can get maximum benefit for
19 their customers. That's [REDACTED]

20 And I want to move on to my second example
21 which is a little corner of the world. This is a great
22 one because between the [REDACTED] example and this [REDACTED]
23 and [REDACTED], we've kind of covered both
24 kind of methods of connecting over Ripple. I talked
25 about the corporate side with one bank at either end.

0043

1 With [REDACTED] in Japan and [REDACTED], this
2 was a service that has been offered to individuals. So
3 these are Thai nationals working in Japan who [REDACTED]
4 are given the ability to pay home, pay friends and
5 family in Thailand.

6 And again, before SBI implemented Ripple,
7 those individuals would put request in for payment and

8 the payment would take over a day to get into Thailand
9 and then find a way into their friends or their
10 relatives' accounts. With Ripple that transaction
11 happens in four seconds. So the Thai worker in Japan is
12 up at the kiosk, puts in their Japanese yen. That's
13 converted to Thai Bahts in four seconds and is on the
14 account of, you know, mom, dad, friend, relative,
15 husband, wife, etc. within four seconds. And that's a
16 real breakthrough for both organizations.

17 Now, these three customers are very keen to
18 extend that service to other countries and also to other
19 banks. And so what they're doing is extending,
20 building, growing and deepening. During Q3 as we add
21 more customers, get more customers live, more
22 deployments, get more flows running, we're also
23 deepening the flows we have with customers that go live
24 in Q2. So hopefully, hopefully, this will be the
25 beginning of the network effect.

0044

1 Now, it has to be said this has not been easy.
2 So in putting both these corridors live, we went
3 through a lot of pain across the customer success team,
4 engineering team, product team, coverage. We had to
5 work very, very hard and that's because the banks when
6 they move into production, it's getting serious. So
7 they're no longer playing. They won't cut corners.
8 They'll do things by the book. They have to have
9 excellent engagement with the regulators.

10 So for example, for [REDACTED] to go into work in
11 Thailand was critical in getting the [REDACTED]
12 [REDACTED] to approve the transaction. In fact, the
13 governor of the [REDACTED] personally signed off
14 on the Ripple launch which is pretty impressive.

15 And he's also visiting San Francisco in a
16 couple of weeks' time. So if you see this guy, do say
17 hi. He's a big fan. But it gives an example of just
18 how extensive you've gotta be both at the bank, with the
19 regulator, with the environment in order to get these
20 things into production.

21 I won't go through the long list of challenges
22 we had, but I think it's fair to say that you know we
23 pulled together as a team right across the company. And
24 you know it's great to see the company work together in
25 this way and make this happen. So Asheesh and [REDACTED]

0045

1 flying into Thailand with shuttle diplomacy to try and
2 convince these guys to go live through the national
3 freeze was a major contribution to getting this thing up
4 and running. [REDACTED] did his usual fantastic stint
5 getting out there, hustling and pushing so hard. [REDACTED]

6 and [REDACTED] Like I mean apparently speaks
7 Japanese. I didn't know but he let it slip during a
8 trip to Japan which is really handy. (Camping out?
9 00:57:21) [REDACTED] and making sure they keep engaged
10 and get the job done.

11 So I think going ahead in Q3 is going to be
12 more tough work. It won't be easy, but I think with
13 these two firsts transactions under our belts, I think
14 we're in a really good place. Thank you.

15 [APPLAUSE]

16 MALE VOICE: Thanks, [REDACTED] So I am going to
17 get up and talk a little bit about another breakthrough
18 that I think is remarkable. Because when you look back
19 at the start of Q2, we had this idea and a project name,
20 Harmony. But other than that, you know, there wasn't as
21 much progress as we wanted to in India. It was a bit of
22 an experiment. We wanted to find out if we put really
23 concerted effort against a certain region and tried to
24 get intimately familiar with it, would we be able to
25 increase the traction?

0046

1 And so we started off by assembling a cross-
2 functional team. You know, Asheesh, [REDACTED]
3 [REDACTED], Ryan Zagone, [REDACTED], these are folks that all had
4 full-time jobs and full-time responsibilities, but we
5 said can we bring that team together and really
6 understand this market and see if we can't make a
7 difference and move more quickly than they had before.

8 And I think the good news is, is we made a lot
9 of progress. I mean, I'll walk through this in a
10 second, but one of our learnings is you know we've
11 referred to this as a corridor strategy. And in some
12 ways that was a bit of a shorthand for a lot of things.

13 It's really about, you know, taking a more strategic
14 look and getting more focused. True, it's about the
15 corridor. We understood after investigating the market
16 that routes between the middle east and India, between
17 the U.K. and India were especially attractive to us.
18 It's about the use cases.

19 You know, for example, in the middle east, the
20 retail remittance from people working in the middle east
21 into India, we realized was a use case where we could
22 really shine. It's about having local presence. You
23 know, we mentioned [REDACTED] name already. But having
24 somebody on the ground and hats off to [REDACTED] who
25 actually pulled up stakes out of Sydney and located in

0047

1 Mumbai for three months. It made a huge difference.
2 And I think made us more confident in what we need to do
3 not only in this market, but it kind of creates a

4 blueprint as we think about other markets and we need to
5 do to be successful.

6 So you know it's a breakthrough not only
7 because of what we've done here, but you've noticed I
8 think in prior conversations that Monica and [REDACTED] have
9 laid out, you know, targeted strategic account lists.
10 Well, that's kind of learnings that we're leveraging
11 from our activity in India from Harmony and we'll expand
12 throughout other parts of the business.

13 So, quickly on this. I want to set context.
14 You know, both [REDACTED] and [REDACTED] which signed today, are
15 efforts I think that resulted from this focus. I mean,
16 the results that came from this type of focus. They
17 represent demand coming into India that's going to
18 continue to be a focus. We want more and more people
19 around the world sending money into India. Because we
20 have good relationships with both [REDACTED] and [REDACTED] that
21 represent more of the supply side of the payout into
22 India. And we're working on relationships you see along
23 the bottom with, you know, different types of entities,
24 not just banks which was another learning. There's
25 these payment banks on the right. You see [REDACTED] and

0048

1 [REDACTED] that have huge reach all the way into different
2 customer bases in different regions within India. And
3 then also NPCI which is a quasi-governmental group that
4 is overseen by the reserve bank of India that is working
5 with us to you know really do something quite unique in
6 creating a combined solution that provides access to
7 what could be over 1800 banks all throughout the
8 country.

9 So overall, real good progress. You can see
10 there's some dotted line there. So these are not all
11 happening, but I think it gives you a sense of once you
12 understand a market in a lot of depth, you can put
13 together the components of the eco-system which we
14 believe are really going to start, you know, the machine
15 cranking in terms of generating volume hopefully
16 quickly.

17 So we hope that this map is kind of filled in
18 by the end of the year. Good progress to date. A lot
19 of work that's still to come, but we're pretty fired up
20 about the progress so far. And I'm going to hand that
21 over to Patrick.

22 [APPLAUSE]

23 MR. GRIFFIN: Thank you. I have about 30
24 seconds in the sun today. So I'm going to milk it for
25 as much as possible. First of all, awesome hats.

0049

1 Looking forward to seeing everybody wearing these at the

2 ballgame like we're a big, happy cult. It's really
3 cool. Second of all, I'm going to turn over to here
4 because you guys are like second-class citizens looking
5 at everybody's backside while they present to this side
6 of the room, by presenting to this side of the room.

7 Okay. I'm on script.

8 MR. GARLINGHOUSE: Off script.

9 MR. GRIFFIN: Okay, so look, this is obviously
10 -- this is one of the bigger events of the quarter, the
11 volume that we've seen in XRP I think we should all
12 certainly take stock and be humble about you know where
13 -- there's a broader, bigger market out there. But I'm
14 really here to tell you, you know what? There's an
15 opportunity for us to take credit and we should take
16 credit. Yes, right time, right place, but look not
17 without a lot of work and a lot of love from a lot of
18 people. I'm looking at you [REDACTED]. Thinking about the
19 product teams, [REDACTED] All the marketing
20 effort that went into the messaging. [REDACTED] and Monica,
21 sorry [REDACTED] And really this is -- it's a matter of
22 building trust and being in the right place to do that
23 is a huge effort. So these are just some highlights
24 around where we had arguably a material impact on the
25 price and on the volume which really sets the foundation

0050

1 and the stage for xRapid to be where it's going to be
2 hopefully by the end of this quarter. But we have set
3 the stage to do something with it which is just a huge
4 win. Over to you, John.

5 [APPLAUSE]

6 MR. MITCHELL: Yeah, thanks Patrick. And I
7 get the broken egg. The broken egg. So this is a
8 career first. Okay, yeah so we missed a target. That's
9 not a thing I really want to have to own up to, but we
10 missed the forecast. So you gotta look at it. If you
11 go back like three months ago, there were two Ripple use
12 cases. You know what they were? So they were on our
13 website. One of those use cases was consumer
14 remittances, okay. It was migrant workers sending money
15 home. And we talked about that before. What was the
16 other use case? It was large-scale, low-value corporate
17 disbursements like Amazon or an Uber. Well, let me tell
18 you. That's an aspirational use case. We cannot
19 deliver on that.

20 So what does that mean? It means we have one
21 use case. One use case makes you a one-trick pony. And
22 what do you do if you're a salesman or a salesperson?
23 You go into a bank. You start the engagement around
24 what Ripple is. And they say, "What do people use
25 Ripple for?" And you talk about the migrant worker --

0051

1 the remittance use case. And they say, "I've got that
2 nailed. I've already got that because I have APIs in
3 place between my -- in my major corridors and they cost
4 nothing and they're real time." So what do you say
5 next?

6 That was a great meeting. We're going
7 absolutely nowhere. And then so one use case, one-trick
8 pony is really bad news. And that's not good enough for
9 Ripple. It really isn't. And it's, you know, you kind
10 of look at it and we're not a one-trick pony. There are
11 many, many use cases for Ripple. And the real hard fact
12 of that is that if you look at all of the opportunities
13 that come into the pipeline and the ones that become
14 engagements, that means the sales person is actually
15 getting out and meeting a customer. Do you know what
16 percentage do not go forward? The answer is [REDACTED]
17 So almost [REDACTED] of the deals that come into our pipeline
18 that we engage with, don't go forward because the bank
19 doesn't see a compelling reason to act. It's why am I
20 going to do this? And if you only have one use case,
21 you got one shot at it.

22 So that's a huge learning lesson for us during
23 the quarter that one-trick ponies don't work. So what
24 we've been doing and we meaning Janel, your name comes
25 up so much, [REDACTED] and the sales team is

0052

1 working on what are compelling use cases for Ripple?

2 Now, we've got these ones up here, but you
3 know what is really interesting to me is we can sit in a
4 room and come up with compelling, what we think are
5 compelling use cases. Who is better than that is
6 actually the banks. They actually do come up with
7 compelling use cases and it is our job to document those
8 and communicate them so that we can be more effective in
9 our sales engagement.

10 I thought [REDACTED] description of [REDACTED] is
11 actually a remarkable use case. We would not have
12 discovered or invented or created that use case on our
13 own. Why? Because here's this energy company in Sweden
14 sending money intra bank. So it's sending money from
15 their own account with [REDACTED] in Sweden to their own
16 account in New York. Did you get that? All right. So
17 they're just sending their own money. It's high-value.
18 That's different. And it's low-volume. I think it was
19 six transactions. And yet, that corporate customer
20 finds immense value from that use case. It is
21 incredibly easy to implement. There is no bilateral
22 agreement. There's no new liquidity, no new Nostro
23 arrangements to put in place. It's one implementation

24 of Ripple. That's incredible.

25 That's a use case we can take to every bank

0053

1 that has major corporate relationships which is just
2 about everybody that we talk to. And it's simple and
3 it's a go forward and we can deliver it today. So, [REDACTED]
4 thank you for inventing a use case for us. We're going
5 to take that everywhere.

6 What's another use case that we did not
7 invent? And that is consumer cross-border bill payment.
8 Would we have invented that? I didn't know there was
9 such a thing as a problem around consumer cross-border
10 bill payment. It's one of our use cases. If I am not
11 necessarily a migrant worker in the context of I'm
12 sending money home, but I'm the migrant worker who owns
13 two homes. Or I've got a home in Switzerland and I've
14 got a home in France. And I have to pay my utility bill
15 in France. What are my options? I can move money to my
16 bank in Switzerland to my bank in France and then
17 disperse from there to the utility. That's kind of
18 painful, very, very painful and expensive actually. If
19 there was a cross-border capability of doing that in
20 real time and actually the exact amount has to arrive
21 with enhanced messaging that has my utility bill number
22 on it, my account details, that's a use case. Again, we
23 wouldn't have come up with that on our own. Actually it
24 was a tiny bank called [REDACTED] in Europe which is a
25 challenger bank which came up with that use case.

0054

1 So the point is we are together creating
2 fabulous use cases. There's four up there. Four is not
3 enough. Six is not enough. 10 is not enough. When
4 we've got 20 brilliant, documented use cases, documented
5 fully so that what does a use case become? It becomes a
6 business case. So that when we are engaging with --
7 salespeople engaging with banks, we are effective and
8 the [REDACTED] that don't go forward becomes a tiny percent.
9 And that adds, you know, dramatic efficiency to our
10 sales capability.

11 So back to second quarter for a moment. Why
12 did we miss? Yeah, we had some great wins. [REDACTED]

13 [REDACTED], yeah great wins.

14 Who didn't go forward? [REDACTED] (inaudible) and
15 [REDACTED] all because they failed their use case. They
16 couldn't get a use case together that made sense
17 economically for the bank. That's not good, right. So
18 that problem is going to steadily go away.

19 And there's one other very important point
20 about use case engagement. And that is we know what
21 we're doing going forward. So we know what that bank is

22 trying to achieve. We know it and so that makes our
23 ability to get into an implementation with a known
24 outcome be much more btr5. And should add better
25 outcomes for us at the other end when we go into

0055

1 production. So that's our big, broken egg. Thank you
2 for that.

3 I joined Ripple in actual fact to be tested on
4 global geography and the GDP of major nations. Turns
5 out you can get that information from Google. Thank you
6 very much.

7 [APPLAUSE]

8 MR. [REDACTED]: So I wanted to talk a little bit
9 about you know John and his team work on the sales and,
10 you know, after a sale comes the implementation. So I
11 wanted to describe a few changes. I think I mentioned
12 this in a company Monday meeting. But the integration
13 engineering team is now part of the greater engineering
14 organization. And I wanted to talk a little bit about
15 why that is and how we're thinking about making these
16 customers live and happy with our implementations going
17 forward.

18 So some of the learnings we've had on getting
19 our software integrated is that it takes a lot of hands
20 to get this done. And by that, I mean, engineering. It
21 takes people on the business development side. It takes
22 people on the legal side. For us, it's going to be all
23 hands on deck for the first X deployments. And I put X
24 there instead of I think Monica wanted 20. I'm not sure
25 of that number and what that number or that X speaks to,

0056

1 to me and I know this will be done is when we have the
2 flywheel going. When we have a repeatable procedure for
3 taking these from sales to a happy customer.

4 We're still a little bit of ways away from
5 that and that's something we want to work on going
6 forward. And externally we want a continuous
7 communication with banks and partners. That we will
8 need help with on the engineering team because maybe
9 we're not the greatest at that, but we'll look to
10 others.

11 Other things I wanted to mention, a lot of
12 this is also internal on the process side and I think
13 that's maybe the easiest thing that we can do to make
14 these successful which will be a major focus of Q3 for
15 this team on engineering.

16 MR. GARLINGHOUSE: Thank you, [REDACTED]. Thank
17 you, everybody. We got a couple other things we're
18 going to hit on and we'll wrap up. The highlight of the
19 whole thing really is we're going to give the LEGGO

20 awards which is recognizing people for our values. So
21 probably another 15 minutes or so. And then we'll also
22 be giving out tickets for the game tonight, etc.

23 Okay, to me if you step back and say what are
24 the four things we learned as we look at kind of broken
25 eggs and making omelets. One, you know, I think truly

0057

1 understanding the differentiation in the marketplace and
2 understanding focus matters. I think those are things
3 we knew, but focusing on a corridor, focusing on use
4 cases, understanding members and users and kind of
5 getting those roots going. Harmony really is an example
6 where literally three or four months ago we were doing
7 nothing in this space and now we've got a bunch of
8 traction going on in India, not the least of which is
9 having Navin join the team. But you know, that's
10 exciting to see and I think it's a good lesson for us to
11 learn.

12 The second, and I think we didn't talk as
13 much about it today, but XRP, the growth of XRP is a
14 major strategic weapon for us. You can expect to hear
15 more from us about how we're going to leverage that.
16 There's a lot of people who deserve credit for helping
17 it become such a big strategic weapon. And that's a big
18 one to helping us drive the momentum of the overall
19 business.

20 All right, number three gets into what [REDACTED]
21 [REDACTED] was talking about. It truly is -- you gotta be
22 tangible with the bank about what this really means to
23 them, to their customers and something they care about
24 and that is about a use case, a business case to create
25 the urgency to buy and, you know, keep that moving.

0058

1 The fourth one and [REDACTED] said appropriately
2 that maybe it's not exactly 20, but you know these first
3 handful of deployment -- well 20's my -- the first score
4 or so of deployments, it really is all hands on deck.
5 Certainly what we saw in Thailand and getting there
6 repeatedly, you know, we don't want that to be the case
7 for customer number 100. But I think in these early
8 days it is totally worth it. Since we're hearing from
9 them, they're hearing from us and we get them off on a
10 good trajectory right away.

11 Before we come up and do LEGGO awards,
12 Cameron is going to touch on a few other Q3 -- looking
13 forward what our OKRs are going to be.

14 MS. [REDACTED] (inaudible)

15 MALE VOICE: [REDACTED] your mic's off.

16 MS. [REDACTED] Yep. Got that feedback, thank
17 you. So in terms of our Q3 company OKRs, we've got five

18 for Q3. And maybe it's helpful to go through this. Do
19 we have a slide? Okay, okay.

20 So we have five for Q3. What? Brad. And
21 it's probably helpful to look at these now in the
22 context of how we did in Q2. And so for software and
23 services bookings, our target for Q3 is [REDACTED]. In
24 Q2 we did [REDACTED] so 33% increase. And I think you
25 heard from [REDACTED]. You know, we're getting

0059

1 crisper about our use cases. And we just signed a deal.
2 So looking, you know, very positive to hit this number
3 for Q3.

4 For XRP bookings, [REDACTED]. And so for
5 those who digested that full report card that Brad
6 showed earlier, you might be wondering, why \$[REDACTED] when we
7 did \$[REDACTED] in Q2? And so there's a couple reasons
8 for that. And I think [REDACTED] was the one who asked me last
9 week how do we forecast XRP bookings? And I think my
10 response was, you know, it's really more of an art than
11 a science. I think thanks to the work that Miguel and
12 his team has been doing, it's becoming more of a science
13 on the programmatic side. So as volume and as liquidity
14 goes up, we're able to you know more confidently
15 forecast how much XRP we can sell programmatically.

16 But it's not quite the case on the OTC side.
17 So when we have institutional investors who come and
18 approach us and want to buy XRP, those conversations can
19 take a while and there's less predictability around
20 that. So given that, we're being a little bit
21 conservative on this. But yeah we might end up selling
22 way more than \$[REDACTED] potentially, but we'll see how
23 that plays out.

24 On the demand-side deals, clearly we didn't
25 hit that target in Q2. Getting network users onto our

0060

1 platform still remains a very high priority. And so as
2 a result we have three xVia deals that Patrick's team is
3 going to -- is working on and closed one already for the
4 quarter.

5 In terms of production deployments, I called
6 out last time that this is actually a pretty big shift
7 for the company. What's not on this page is pilot
8 implementations. And so the fact that we've got, you
9 know, enough production bookings that are now ready to
10 be implemented and deployed is a huge step forward for
11 us as a company.

12 And then finally the last metric, it's a brand
13 new metric for us. And it reflects that it's not
14 important for us just to deploy xCurrent with our
15 customers, what's important is to get them connected to

16 each other. That matchmaking. So that ultimately we
17 can drive volume throughout the entire networks. So we
18 had one in Q2 [REDACTED] And for this quarter an
19 additional two is our target to our overall 2017 goal of
20 volume.

21 And so with that I will turn it back over to
22 Brad.

23 MR. GARLINGHOUSE: There we go. Thank you.
24 Actually, you know what I have that note, thank you.
25 All right. So as I said, part of any quarterly check-

0061

1 in, I think it's a great to step back. I do, as I've
2 talked about, care a lot -- excuse me. I wasn't
3 coughing on you-ish.

4 Look, I've talked about this before. But I
5 think if we set the right culture early on in the
6 organization and I think the organization and I think
7 thanks to some of the early efforts of Chris Larsen
8 setting us on our -- in the right direction, I think
9 we've done a good job around that but I think we have to
10 continue to invest there.

11 So it's nice to kind of step back and
12 recognize people for our LEGGO Awards. As you all know,
13 I'm sure, verbatim, the L is about living it. The key
14 things to me about living it, I will highlight --
15 attitude and entrepreneurial spirit are things that kind
16 of jump out at me here. I do think that, you know, we
17 want to hire people that are passionate people. I
18 almost don't care what people are passionate about, but
19 be passionate about something. So to recognize this,
20 Asheesh. Tell me when to click.

21 MR. BIRLA: No, don't click, Brad. Give away
22 the thunder again. All right, so Live It. So this
23 person is, I mean, you never know that this person is
24 having a bad day. We talk about passion. We talk about
25 going the extra mile. You're going to think of this

0062

1 person but I want to say how many people love the way
2 this office looks and is designed? How amazing --

3 [APPLAUSE]

4 MR. BIRLA: is this? One day we're going to
5 do tours and you're going to just be blown away by all
6 the little details that were thought through in this
7 office. And so passion, Live It, [REDACTED], come up here
8 for --.

9 [APPLAUSE]

10 MR. BIRLA: Thank you.

11 MR. GARLINGHOUSE: All right, thank you,
12 Asheesh.

13 MR. BIRLA: That was awkward.

14 MR. GARLINGHOUSE: Well deserved. Thank you
15 very much, [REDACTED]

16 MR. BIRLA: We're going to have a drink later.

17 MR. GARLINGHOUSE: Okay. Enjoy It. You know
18 one of the reasons why Enjoy It is part of our values is
19 because I think look, for some people this is their
20 first startup. And it's really to embrace the
21 uncertainty, embrace the fact that we don't have an
22 exact roadmap exactly where we're going. Look, that's
23 part of the journey. That's part of the fun. Sometimes
24 that can be stressful for sure. But I think it is --
25 enjoying the journey as we go and so to recognize this

0063

1 person I will turn it over to [REDACTED]

2 MR. [REDACTED]: So I didn't realize we had to
3 anonymize it. I thought we were going to -- so I'll
4 talk about this person for a little bit.

5 MR. GARLINGHOUSE: I can do whatever you want.
6 Do you want me to turn it over?

7 MR. [REDACTED]: No, that's all right. Actually,
8 I like this. This is a challenge. So this person --
9 I'll read a quote and then I'll add a few of my own
10 words. This person really loves what he's doing and is
11 always going to go the extra mile to help others.
12 Recently this person happily accepted providing support
13 to Asian banks by being on support all night and
14 attending late night calls whenever needed. This person
15 must surely be enjoying the work if they're committing
16 so much.

17 I'll also say about this person they have such
18 a positive attitude and a mentality to continue on a
19 path until something is completed. Those two attributes
20 are really big in my book and they result in our
21 customers being happy. And maybe one last thing about -
22 -

23 MR. GARLINGHOUSE: Oh. Oh.

24 [LAUGHTER]

25 MR. [REDACTED]: Congratulations, Ryan.

0064

1 [APPLAUSE]

2 MR. GARLINGHOUSE: You pointed. He pointed.
3 I thought he was --. Congrats, [REDACTED]

4 MR. [REDACTED]: So the last thing was around
5 embracing ambiguity. I heard this morning that his --
6 [REDACTED] Visa was denied to India for a project we have to
7 do very quickly. And he is embracing the ambiguity by
8 going directly to the consulate and figuring this thing
9 out.

10 MR. GARLINGHOUSE: Well done.

11 [APPLAUSE]

12 MR. GARLINGHOUSE: I got the clicker taken
13 away from me.

14 MR. BIRLA: I got it.

15 MR. GARLINGHOUSE: So it's now Asheesh's
16 problem. Look, I have emphasized this early in terms of
17 Get It Done. [REDACTED] apparently doesn't want me up
18 here, so I'm going to turn it over to [REDACTED]

19 [REDACTED]: Thanks. So Get It Done. Most of
20 our success here, a lot of our success here is selling
21 our xCurrent product. That's not possible unless we
22 have really solid agreements and really strong
23 negotiators. And both of these things were brought by
24 this person who shall be nameless. She joined us just
25 six months ago. If you have seen our agreements, you

0065

1 will see that they are recrafted, revisioned. If you've
2 been through our NDA process recently, it's never been
3 so easy. And she closed several deals at the end of Q2.
4 She helped to close several deals -- Akbank at the
5 final minutes.

6 If you have ever seen her negotiate, you'll be
7 so happy that she is our advocate. So getting it done
8 looks like this. Click. [REDACTED]. Thank you.

9 [APPLAUSE]

10 MR. GARLINGHOUSE: Thank you, [REDACTED]. Thank
11 you, [REDACTED]. Great job in Q2. Next on the list, Going
12 For it, our second G. You know, this is really just
13 embracing risk, acknowledging we're going to make
14 mistakes. It is about breaking eggs such that we can
15 have breakthroughs. I want to make sure that we are
16 swinging for the fences. As we grow, I think it's
17 natural that companies take less and less risk. And
18 this is almost as a value, reminding ourselves go for
19 it. Like we want to think big and really break some
20 eggs as we go which I think is a really healthy thing to
21 continue to embrace. And I will turn it over to John
22 Mitchell.

23 MR. [REDACTED]: This person dragged his ever-
24 suffering wife from Sydney to Mumbai. That's a
25 giveaway. Who could that be? Yesterday this person, we

0066

1 had a global sales meeting yesterday. This person gave
2 a sales update. It was the best sales update I've ever
3 seen. What it proved to me is he could do -- this
4 person could do two things at once which was something
5 which we've seen a whole slide on -- project Harmony,
6 but also close [REDACTED] in the EMBD at the same time and
7 keep his wife happy apparently, allegedly. So this
8 really difficult to identify person is of course [REDACTED]
9 [REDACTED]

10 [APPLAUSE]

11 MR. [REDACTED] we love you and we
12 worship you. And I would like to say -- I would like to
13 say this is a real bromance, man.

14 [APPLAUSE]

15 MR. GARLINGHOUSE: Asheesh feels a little left
16 out there. Alice, thank you. All right. Last but not
17 least in the LEGGO is the O. Owning It. You know, I
18 think this is just a culture thing of everybody here
19 should be a janitor and actually I will give a shout out
20 to two people. This morning I walked in early, there
21 were a lot of dishes in the sink. And I saw [REDACTED] and
22 [REDACTED] doing the dishes because we were out of mugs. And
23 you know what? I loved it because look, we're all
24 janitors. Of course, wouldn't it be nice if the
25 janitors came and actually did the dishes earlier, but

0067

1 that's all fine.

2 But as part of owning it, and for owning it I
3 will turn it over to [REDACTED]

4 MR. [REDACTED] Hello again. Maybe I'll do this
5 one on this side, take a note from Patrick. Or I guess
6 we're end of day. Maybe I'll just stay here. All
7 right, I will. I will go for it. Nice. So actually
8 for these -- well I'll maybe reveal that this is a
9 split. There are two people we want to recognize for
10 the Own It value. I'll start with the first and
11 I'll mention a few quotes and then say a few words. So
12 the AltNet is an essential part of Ripple D development
13 that this person totally owns. They're always available
14 to assist with its use, monitoring and availability and
15 ensuring we get the most out of it. This person has
16 owned our decentralization strategy since day one and
17 his work placed us in a position to finally realize the
18 vision for a more decentralized future.

19 On another note, this person also has moved
20 across a few different engineering teams, transitioned
21 different languages for implementation from Java Script
22 to C++. They're a true multi-instrumentalist that
23 definitely owns it from implementation to documentation
24 to completion. So I want to virtually high five and hug
25 Brandon Wilson.

0068

1 [APPLAUSE]

2 MR. [REDACTED] And the second Own It goes to a
3 person who drove the office move home with so many long
4 nights and weekends under their belt, the results were
5 truly awesome.

6 We have a new office VPN, a new office
7 network, a Wi-Fi build out, video conferencing, all

8 while training our brand new IT talent. It started the
9 day of the move. This person has taken total
10 responsibility for the move and owned it. Bravo.

11 Another quote. This person has been a real
12 boss, all capitalized.

13 I'm not exactly sure what that means, but
14 maybe around the coffee they sell in Japan if you know
15 that brand.

16 But when it comes to ensuring everyone is set
17 up and that Ripple's technology operations is becoming
18 just as advanced as Ripple itself, this person couldn't
19 have asked to be on a better team and have such a great
20 leader.

21 This person did everything possible within
22 budget to build out the technical infrastructure in our
23 beautiful new building, so I want to thank [REDACTED].

24 [APPLAUSE]

25 MR. [REDACTED]: All right. I don't know if I'm

0069

1 going to wrap this up or if something else wants to go.

2 MR. GARLINGHOUSE: I'm wrapping it up. All
3 right.

4 MR. [REDACTED]: That's all right, I got it.

5 MR. GARLINGHOUSE: I don't think -- where's
6 the click? I think there's one more thing? No. Click.
7 There's no more. Okay. The appendix. There's not the
8 appendix.

9 Look, a couple wrap-up comments. On a super
10 pragmatic basis, here's what's happening next.

11 Here's what's happening next. Sorry. We have
12 dinner and drinks tonight at the ball park. That starts
13 at 5:15. It's versus the Padres. The Giants aren't
14 that great this year, but the Padres are okay so it
15 might be okay. New Ripple swag. Wear your hats. The
16 first pitch is at 7:15, but again food, you want to head
17 over there.

18 I believe we're the same courtyard we were
19 last year for those of you who don't remember or weren't
20 there, it's kind of behind the scoreboard. There'll be
21 an area kind of cordoned off. I will acknowledge that
22 last year at this event I learned how to play the game
23 Flip Cup which was fun actually. You want to pick up
24 your tickets here after the meeting. I don't know where
25 here is exactly. Fabulous. Don't leave here without a

0070

1 ticket. You want to walk or share a car to the stadium
2 sometime between 4:30 and 5:00.

3 Any other logistics questions just real
4 quickly on all that?

5 All right. If you did not get a hat, there's

6 like five sitting over here. There's five in John
 7 (inaudible) hand. Finance is hoarding them. I think
 8 there's plenty around.

9 Look, let me wrap up by saying something that
 10 I genuinely feel. I remember and some of you about a
 11 half of you were here just over two years ago when I was
 12 joining the company and I remember thinking, you know,
 13 in large part thanks to some of the foundation that
 14 Chris Larsen had set and the vision that Chris had set,
 15 I remember thinking like wow we have this incredibly
 16 cool opportunity. And I remember talking very, very
 17 early on in my tenure about the fact that I was just so
 18 impressed with the aggregation of talent that was in the
 19 room.

20 Since then I think we've only continued to
 21 build on that and bringing together the right mix of
 22 entrepreneurship, technical talent, finance expertise
 23 that is really I think beautifully blended into where we
 24 are today. And I really could not be much happier with
 25 the opportunity we have.

0071

1 And I think we owe Chris a debt of gratitude,
 2 but we also -- everyone here, I feel like I owe you all
 3 a debt of gratitude because I truly don't think -- at
 4 the end of the day this company is the people in this
 5 room and on the video and out around the world.

6 And I just am incredibly pleased by how much
 7 program we've made and I'm glad that all of you and
 8 we're all together on this journey.

9 I'm excited about what the rest of 2017 looks
 10 like and I think we're going to have a great balance of
 11 the year. So cheers and have fun tonight. Thank you,
 12 everybody.

13 [APPLAUSE]

14 [MUSIC PLAYING]

15 (End of video.)

16 * * * * *

0072

TRANSCRIBER'S CERTIFICATE

1
 2
 3 I, Suchi Kumar, hereby certify that the foregoing

4 transcript consisting of 71 pages is a complete, true
5 and accurate transcription of all matters contained on
6 the recorded proceedings indicated,
7 RIPPLE LABS, INC.
8 File: RPLI_SEC 1100505_HIGHLY CONFIDENTIAL.mp4
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25